are mechanically transformed into a string of 1's and 0's by a compiler or assembler.[3]

The potential impact of the Third Circuit decision is already apparent in the March 30, 2005 decision of the Court of Appeals for the Sixth Circuit in *ATC Distribution Group, Inc. v. Whatever It Takes Transmission & Parts, Inc.*, 2005 U.S. App. LEXIS 5059 (6th Cir. 2005) (App. 160-192). The Sixth Circuit applied the rule of the Third Circuit decision to hold part numbers produced by the rules of a system uncopyrightable, stating "even if the underlying system is original and creative, the numbers themselves are not copyrightable unless they are assigned to parts in a creative way," citing Southco I. App. 173-174. The part numbers were also held uncopyrightable as "short phrases."[4]

The national significance of the Third Circuit decision is also reflected in the involvement of the United States in this case. The two bases for the Third Circuit decision were initiated and injected into the case by the United States, acting expressly in furtherance of its interest in national competition policy and in order to implement, as federal law governing digital works, the Copyright Office "short phrases" regulation.

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[3] *See, Introduction to A New Paradigm In Intellectual Property Law?: The Case Against Open Sources*, Mathias Strasser, 2001 Stanford Technical Law Review 4, for a brief documented summary of the functions of and relationship between source code and object code.

[4] The Sixth Circuit opinion cites Southco I and Southco II but makes no reference to Southco III, even though the *en banc* decision was published nearly four months before the Sixth Circuit decision was filed, and Southco III had been submitted to the court as supplemental authority on December 8, 2004.

2. The Third Circuit Decision Conflicts With The Decisions Which Require Digital Works To Be Systematic Or Rule-Based

Prior to the Third Circuit decision in this case, it appears that no court of appeals had held a digital work, or any other work, categorically uncopyrightable because it was produced systematically or in accordance with a set of rules. On the contrary, the Eighth Circuit, in *Toro Co. v. R&R Products Co.*, 787 F.2d 1208 (8th Cir. 1986), held digital works to be uncopyrightable because they were *not* organized in any meaningful pattern and the numbers did not encode any kind of information at all. App. 138-141. 787 F.2d at 1213. In *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366 (10th Cir. 1997), the Tenth Circuit cited and followed the *Toro* decision to hold digital works uncopyrightable on the same basis. App. 122-125.

In *American Dental Ass'n v. Delta Dental Plans Ass'n*, 126 F.3d 977 (7th Cir. 1997), the court held five-digit numbers to be copyrightable because they were part of a taxonomy. App. 152-153. The court found not only the system of numbers to be copyrightable, but the individual elements, including the numbers as well. *Ibid.*

The *American Dental* decision was the subject of considerable debate in the Court of Appeals throughout this case, the majority deeming it distinguished and the dissent considering it directly in point. App. 17, n.4, 25, 36 n.13, 81-84, 103-104. The Sixth Circuit in the *ATC Distribution* case, although adopting the Third Circuit decision, acknowledged the conflict with *American Dental*, concluding that the Seventh Circuit was wrong. App. 171-174.

The Third Circuit decision also conflicts with the *American Dental* decision in holding that digital works of

nine or fewer numbers are categorically uncopyrightable. In *American Dental*, digital works of five digits were held copyrightable. App. 153-154.

3. The Third Circuit Decision Will Sow Confusion Because It Is Contrary To The Statutory Scheme Of The Copyright Act As Approved By The Supreme Court In The *Feist* Case

a) The Rejection Of The Idea/Expression Scheme Of The Copyright Act Will Cause Confusion

The 1976 Copyright Act was the result of a massive legislative effort over a period of fifteen years involving the careful balancing of substantial interests reflected in the precise language of the statute. *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 159-162 (1985). One of the principal achievements of the Act was to define copyrightable subject matter for the first time. *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, 499 U.S. 340, 355-356 (1991). Section 102(a) specifies what is copyrightable: an original work of authorship fixed in a tangible medium of expression. Section 102(b) specifies those aspects of a work to which copyright protection does not extend. The purpose of § 102(b) is to restate, in the context of the single federal system of copyright, the basic dichotomy between expression and idea. H.R. Rep. No. 94-1476.

As exemplified in the *Feist* opinion, "originality" of a work is determined by examining the process of selection and organization by which it is produced in order to determine whether or not it displays some minimal level of creativity. 499 U.S. at 361-364. If the necessary creativity, the "intellectual concept," is found in the underlying procedure or process, the resulting expression is copyrightable, even if

mechanically produced. *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884).

In this case, the Third Circuit majority has devised a new formula to determine the copyrightability of a digital work which is a complete departure from the precise formula spelled out in the Copyright Act. The originality analysis prescribed in the *Feist* case is deemed unnecessary and the idea/expression analysis is "beside the point" and not relevant. App. 17, n.4.[5] Instead of seeking originality in the system by which the numbers are produced, the Third Circuit stands that process on its head, holding that the very fact that the expression, i.e., the numbers, are produced by the system, renders them uncopyrightable. *Cf. Burrow-Giles, supra.*

The divergence of the Third Circuit's new standard for determining the copyrightability of digital works from that prescribed by the Copyright Act invites confusion. Digital technology is evolving rapidly. The new test for copyrightability will prejudice the efforts of creators working in tomorrow's as yet unimagined technologies to secure protection for their work. For any new digital work, it will first have to be determined whether it is to be assessed for originality or whether that assessment is rendered unnecessary because the work is produced by the rules of a system. That defeats the legislative purpose of providing a comprehensive definition of copyrightable subject matter. If allowed to stand, this decision must inevitably sow confusion with respect to the copyrightability of digital works.

[5] The dissenting opinion of Judge Roth provides the idea/expression analysis set up by §§ 102(a) and (b).

b) The Third Circuit's "Short Phrases" Decision Will Cause Confusion In The Copyrightability Of Digital Works

The Third Circuit majority's determination that digital works of nine or fewer digits are categorically excluded from copyright, regardless of their creativity, will likewise produce confusion. In the terms of the majority, there is no "principled basis" for granting or denying copyright protection to any digital work on the basis of the number of digits. The majority's prediction that its decision will affect a "huge number" of works is undoubtedly correct. But what will that effect be? The Third Circuit decision leaves wide open the question: how many digits is enough? That question makes clear that the Third Circuit decision will inevitably produce confusion where it does not now exist in the determination of the copyrightability of digital works.

As with the Third Circuit's preclusion of copyright protection for rule-based digital works, the denial of copyrightability to creative works of nine or fewer digits is flatly contrary to the legislative scheme. The test is "originality," not the number of digits. If copyright protection is to be denied to original and creative digital works solely on the basis of the number of digits they contain, it must be done by the Congress. *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 461-462 (2002); *U.S. Dept. of Justice v. Landano,* 508 U.S. 165, 180-181 (1993). Tampering with the carefully worked out legislative definition of copyrightable subject matter will only cause confusion.

CONCLUSION

This case presents to the Court basic issues of law concerning the protection of digital works under the Copyright Act of 1976. The issues could not be more clearly or better defined than they are on the present summary judgment record.

The Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

DATE: May 2, 2005

JAMES C. MCCONNON, ESQ.
PAUL & PAUL
2900 Two Thousand Market St.
Philadelphia, PA 19103
(215) 568-4900
Attorneys for Petitioner
Southco, Inc.

04-1459

No. _____

In The

Supreme Court of the United States

SOUTHCO, INC.,

Petitioner,

v.

KANEBRIDGE CORPORATION,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Third Circuit

APPENDIX TO PETITION FOR A WRIT OF CERTIORARI

JAMES C. MCCONNON
Counsel of Record for Petitioner
ALEX R. SLUZAS
PAUL & PAUL
Suite 2900
2000 Market Street
Philadelphia, PA 19103
(215) 568-4900

COCKLE LAW BRIEF PRINTING CO (800) 225-6964
OR CALL COLLECT (402) 342-2831

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SOUTHCO, INC., Appellant v. KANEBRIDGE CORPORATION.

No. 02-1243.

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

390 F.3d 276; 2004 U.S. App. LEXIS 24935; 73 U.S.P.Q.2d (BNA) 1071

December 3, 2002, Argued; October 8, 2003, Reargued En Banc December 3, 2004, Opinion Filed

COUNSEL: JAMES C. McCONNON (Argued), ALEX R. SLUZAS, Paul & Paul, Philadelphia, PA, for Appellant.

STANLEY H. COHEN, Caesar, Rivise, Bernstein, Cohen & Pokotilow, Philadelphia, PA, STEVEN B. POKOTILOW (Argued), Stroock, Stroock, and Lavan, New York, NY, for Appellee.

MARK S. DAVIES (Argued), United States Department of Justice, Civil Division, Appellate Staff, Washington, DC, for Amicus Curiae The United States of America.

JUDGES: Before SCIRICA, Chief Judge, SLOVITER, NYGAARD, ALITO, ROTH, McKEE, RENDELL, BARRY, AMBRO, FUENTES, SMITH, CHERTOFF, and BECKER, Circuit Judges. BECKER, Circuit Judge, concurring, with whom Judges MCKEE and SMITH join. ROTH, Circuit Judge, dissenting, with whom Judge CHERTOFF joins.

OPINION BY: ALITO

OPINION:

OPINION OF THE COURT

ALITO, Circuit Judge: star 1*

This is an appeal in a copyright case. Southco, Inc. alleges that Kanebridge Corp. violated its copyright by referring to the serial numbers that Southco assigned to certain parts that it manufactures. The District Court issued a preliminary injunction forbidding Kanebridge from making such references, but a panel of this Court reversed, holding that Southco was unlikely to succeed on the merits because the serial numbers lacked sufficient originality to be copyrighted. On remand, the District Court granted Kanebridge's motion for summary judgment on the copyright claim, but a different panel of our Court reversed, holding that an affidavit submitted by Southco in opposition to Kanebridge's summary judgment motion was sufficient to demonstrate that the numbers reflected considerable creativity. We now hold that the numbers are not protected by copyright, and we therefore affirm the order granting summary judgment in favor of Kanebridge.

I.

Southco manufactures a variety of products, including rivets, latches, handles, and "captive fasteners" that are used to fasten two panels together. A "captive" fastener is one whose components are retained in the outer panel when the two panels are detached. "Captive screws" are a type of captive fastener. Each captive screw consists of a "knob" (the component that surrounds the screw head), the screw itself, and a "ferrule" (a component that houses the

* Chief Judge, SCIRICA and Judges SLOVITER, NYGAARD, RENDELL, BARRY, AMBRO, FUENTES join this opinion. Judges MCKEE, SMITH, and BECKER Join Parts I and II.

screw). The captive screw is mounted in the outer panel by means of the ferrule. The other panel contains an internally threaded insert that receives the screw. Captive screws differ among themselves with respect to a few characteristics, such as composition, screw length, screw diameter, thread size, and finish.

To assist its employees and customers in identifying and distinguishing among its products, Southco developed a numbering system under which each particular digit or group of digits signifies a relevant characteristic of the product. Southco has referred to one of the numbers at issue in this case, part number 47-10-202-10, to show how the system works. The first two digits ("47") show that the part falls within a class of captive screws. Other digits indicate characteristics such as thread size ("632"), composition of the screw (aluminum), and finish of the knob ("knurled"). *See Southco, Inc. v. Kanebridge Corp.*, 258 F.3d 148, 149 n.2 (3d Cir. 2001) ("Southco I") (quoting Southco's brief).

A person who understands the Southco system can use it in two ways. First, the person can readily determine from a product number the characteristics of the product designated – for example, the type of product (say, a screw), the type of screw, and all of the characteristics that a user might need to know. Second, working in reverse, a person who knows the characteristics of the product needed for a particular job can determine the number of the product with the desired characteristics. Southco includes its product numbers in handbooks that it publishes each year, and Southco has secured copyright registrations for several of its handbooks.

According to Southco, its part numbers play a significant role in the subcontracting of work on computers and telecommunications equipment. Computer and telecommunications equipment manufacturers often use "subassemblies" supplied by subcontractors, and manufacturers often use Southco part numbers to specify the captive fasteners to be used in these subassemblies. However, manufacturers sometimes permit subcontractors to substitute equivalent fasteners manufactured by companies other than Southco, and this gives the subcontractors an incentive to substitute cheaper fasteners made by Southco's competitors. *See* Joint Appendix ("A") 18-19.

Matdan America ("Matdan") is a Southco competitor that manufactures panel fasteners. Kanebridge, known as Matdan's "master distributor," sells Matdan fasteners to other distributors, often at prices lower than Southco's. In order to demonstrate that its fasteners have the same characteristics as Southco's but are sold at lower prices, Kanebridge began to use Southco's part numbers in comparison charts that were included in advertisements and other literature provided to customers. These charts display Kanebridge's and Southco's numbers for equivalent fasteners in adjacent columns, making it clear that the two companies' parts are interchangeable. According to Kanebridge, the "ability to cross-reference Southco panel fasteners in an honest, accurate and comparative manner" is necessary to make competition viable. Kanebridge's Southco I Brief at 7. Without this ability, Kanebridge insists, customers would lose the opportunity to obtain lower-cost alternative fasteners. *Id.*

Southco commenced this action against *Kanebridge*, asserting a claim for copyright infringement under 17 U.S.C. §§ 501-05, 509, as well as Lanham Act claims for

false advertising (15 U.S.C. § 1125(a)), trademark infringement (15 U.S.C. § 1114(l)), and unfair competition (15 U.S.C. § 1125(a)), and claims for common law trademark infringement and trademark dilution. In support of its copyright infringement claim, Southco alleged that Kanebridge had copied 51 part numbers for Southco's "Class 47 captive screw fasteners." A23. Examples of the numbers that Southco claimed are protected by copyright are the following:

47-11-502-10
47-10-502-50
47-12-502-50
47-62-501-20

A24. *Southco* alleged that *Kanebridge* had used these copyrighted numbers in "advertising, product brochures, catalogs, reference guides, packaging and/or price lists." *Id.*

The parties agreed to a temporary restraining order containing various restrictions on Kanebridge's use of Southco's part numbers, but when the parties failed to agree on the scope of a preliminary injunction, *Southco* moved for a preliminary injunction preventing *Kanebridge* from making any reference to Southco's numbers. The District Court granted the motion, concluding, among other things, that Southco's "numbering *system* is copyrighted." *Southco, Inc. v. Kanebridge Corp.*, 2000 U.S. Dist. LEXIS 112, No. 99-4337, 2000 WL 21257, at *1 (E.D.Pa. 2000) (emphasis added). The Court wrote:

> *The Numbering System*, with its unique, non-intuitive and highly complex attributes, easily satisfies the standard for originality. It was created out of nothing, and has developed to some use as an industry standard. . . . It is expandable

> as new products are developed, and is of use to Southco employees and customers.

Id. 2000 U.S. Dist. LEXIS 112 at *3 (emphasis added).

On appeal, a panel of this Court reversed. *Southco I*, 258 F.3d at 148. The *Southco I* panel began by noting that, "for purposes of copyright law, . . . Southco's numbering system and the actual numbers produced by the system are two very different works" and that Southco's claim was based exclusively on the actual numbers and not on the system. *Id.* at 151-52 (footnote omitted). The panel wrote that Southco had "unquestionably devoted time, effort, and thought to the creation of the numbering system" but that Southco's system made it "impossible for the numbers themselves to be original." *Id.* at 153 (emphasis omitted). Focusing on the use of the Southco system to assign a number to a product in an existing product line,[1] the *Southco I* panel wrote:

> The part has certain relevant characteristics, and the numbering system specifies certain numbers for each of those characteristics. As a result, there is only one possible part number for any new panel fastener that Southco creates. This number results from the mechanical application of the system, not creative thought. If Southco were to develop a new fastener and for some reason decide to exercise creativity when assigning it a number, the resulting part number would fail to accomplish its purpose. Regardless

[1] We use the term "product line" to mean a category of products that have the same relevant "characteristics" but that differ with respect to the "values" of some or all of those characteristics. Thus, in this usage, screw length is a characteristic, and a screw length of 1/4 inch is a value.

> of how small the change is, customers could not effectively identify the relevant characteristics of the panel fastener by simply looking at its part number.

Id. at 153. The *Southco I* panel thus concluded that "the creative spark is utterly lacking in Southco's part numbers and that these numbers are examples of works that fall short of the minimal level of creativity required for copyright protection." *Id.* at 152.

On remand, *Kanebridge* moved for summary judgment. In response, *Southco* submitted the affidavit of Robert H. Bisbing, a retired Southco engineer who had designed numerous fasteners for Southco and had assigned them product numbers. A262-63. Bisbing explained how he had assigned product numbers to a new class of enclosed retractable captive screws that included 405 variations. A264-71. Bisbing recounted that "it had long been Southco's practice to create a system of numbers for each class of its products," including classes of drive rivets, latches, pulls, and handles, as well as fasteners. A264. He stated that the relevant characteristics of this new class differed from those of previous classes and that he therefore adapted the system to apply to the new line. A267. Bisbing elaborated:

> Although there were a variety of Southco numbering systems in existence in 1971 when I created the enclosed retractable captive screw, including for several classes of captive screws, none of them could be used for the new product. Each of the systems of part numbers that had been created for existing products identified particular values pertinent to those products which would not be useful in the new fasteners.

Id. Bisbing therefore identified the characteristics to be designated in the product numbers for the new class and assigned numbers to represent variations within each characteristic. A267-71. For example, he decided to use the fifth digit in each number to show thread size. A269.

The District Court expressed continuing disagreement with the decision in *Southco I* but nevertheless granted Kanebridge's motion for summary judgment on the copyright infringement claim, finding that Bisbing's affidavit provided no new material evidence. A305-06. The District Court further noted that Bisbing's affidavit concerned the creation of the system, not the numbers, and that, under *Southco I*, the creativity of the numbers was the only relevant issue. A314. The parties settled the remaining claims, and Southco appealed the order granting summary judgment on the copyright infringement claim.

On appeal, a panel of our Court reversed. *Southco, Inc. v. Kanebridge Corp.*, 324 F.3d 190, 193 (3d Cir. 2003) ("*Southco II*"). The *Southco II* panel stated that "the *Southco I* panel's conclusion regarding originality involved, at least in part, factual determinations regarding the process by which Southco develops numbers" and that the Bisbing declaration suggested that the prior panel's "conclusions regarding the relationship between the numbering system and the product numbers ha[d] no basis in fact." *Id.* at 196. According to the *Southco II* panel, the earlier panel had labored under the false impression that "the product numbers are mechanically dictated by a preexisting numbering system." *Id.* at 196. The *Southco II* panel concluded that Bisbing's declaration "called into doubt the *Southco I* panel's factual conclusions about the process by which Southco assigns numbers to new fasteners." *Id.* at 197. The *Southco II* panel continued:

> Bisbing's declaration does not indicate that the inventor of a new fastener determined the physical characteristics of the new fasteners and then consulted Southco's numbering system to mechanically assign a product number that described those physical characteristics. To the contrary, the Bisbing declaration states that Bisbing exercised creativity and choice in determining the values to be reflected in the numbers.

Id. at 197. The *Southco II* panel therefore reversed the decision of the District Court and remanded "for consideration of the Bisbing declaration." *Id.* We subsequently voted to rehear this case en banc and vacated the panel opinion.

II.

We hold that the Southco part numbers are not copyrightable. Two different lines of reasoning lead us to this conclusion.

A.

First, as we held in *Southco I*, the Southco numbers are not "original." Under Article I, section 8 of the Constitution, Congress has the power "to secure for limited Times to Authors . . . the exclusive Right to their respective Writings." As used in this provision, the terms "Authors" and "Writings" "presuppose a degree of originality," and therefore "originality is a constitutional requirement." *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346, 113 L.Ed.2d 358, 111 S. Ct. 1282 (1991). Accordingly, Congress has provided copyright protection for "*original* works of authorship fixed in any tangible medium